

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 1059 – HB 1368**

March 30, 2017

**SUMMARY OF ORIGINAL BILL:** Increases the current death benefit for any firefighter, volunteer rescue worker, or law enforcement officer who is killed in the line of duty, provided the individual was current with any required training and any necessary physical exam at the time of death, from a lump sum of \$25,000 to a \$250,000 annuity with the estate receiving an annual installment of \$50,000 for five years.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures – Exceeds \$175,000

Other Fiscal Impact – The number of death benefits that will be awarded annually is unknown. The provisions of the bill will increase the state's liability by increasing the total amount of the benefit, the length of time the benefit is paid out, and the types of occupations that may receive the benefit. For each individual benefit awarded, there will be an increase in state expenditures of at least \$225,000 per benefit over a five-year period.

**SUMMARY OF AMENDMENT (004962):** Deletes and replaces language to clarify that an annual installment of \$50,000 over five years totals \$250,000 over such five-year period, rather than \$500,000.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Currently, death benefits are provided to the estates of firefighters, volunteer rescue squad workers, and law enforcement personnel who are killed in the line of duty.
- The current state budget includes recurring death benefit amounts for four law enforcement officers totaling \$100,000 (4 officers x \$25,000), and for two firefighters and one rescue squad worker totaling \$75,000 [(2 firefighters + 1 rescue squad worker) x

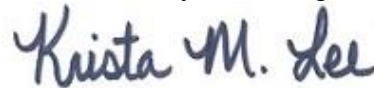
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\$25,000], for a total of \$175,000. Currently, any unused funding reverts back to the General Fund at the end of each fiscal year.

- Based on current recurring funding levels, it is assumed that the state will continue to budget for a minimum of four law enforcement officers, two firefighters, and one rescue squad worker each year under the provisions of this bill as amended.
- This legislation would increase the current recurring General Fund allocations by \$25,000 per individual per year. The recurring increase in state expenditures to the General Fund is estimated to exceed \$175,000 (7 minimum individuals x \$25,000 increase).
- The number of beneficiaries that will claim this death benefit is unknown. A beneficiary has several years to claim the death benefit. The provisions of the bill as amended make this an annual benefit payable over a five-year period and increase the overall liability of the state for these benefits. If a beneficiary is awarded the benefit, there will be recurring expenditures out of the General Fund over a five year period that will result in increased expenditures from the General Fund of \$25,000 per individual benefit and will reduce the reversions back to the General Fund. The total increase in state expenditures for each individual benefit is \$225,000 (\$250,000 - \$25,000) occurring over a five-year period.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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